

# ORIGINAL



Sheila Stoeller

From: Albert Marquis [amarquis@MarquisAurbach.com]  
Sent: Wednesday, July 25, 2007 8:59 AM  
To: Mayes-WebEmail  
Subject: Jim Rhodes

SW-20379A-05-0489  
W-20370A-05-0490

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Ms. Mayes,

I read an article in today's Las Vegas Review Journal about the ongoing hearing in Arizona concerning Jim Rhodes. For nearly 10 years, from 1995 until 2004, we represented two men who had made the mistake of trusting Mr. Rhodes. These men (Marshall and Lou Goldman) contributed 135 acres of land to a partnership formed by Mr. Rhodes with the promise that they would receive their \$600,000 in equity plus 50% of the anticipated \$10 million in profits. Well, our clients were paid \$200,000 and then Rhodes sued them and attempted to negate the partnership agreement (keeping, of course, the land and all of the profits for himself). We eventually recovered about \$3 million, but Rhodes' dishonesty unfortunately seems to have paid off (in that he managed to siphon off much of our clients' money for himself). We have written findings of the arbitrator to the effect that Rhodes misappropriated funds, breached his fiduciary duty to his partners and breached the partnership agreement in many other respects. One specific finding: "The decline in profits [which Rhodes claimed in order to avoid payment to the Goldmans] was due primarily to Rhodes' mismanagement and negligent cost projections. His breach of the Partnership Agreement, his breach of his fiduciary duties and his misappropriation of profits to his various related entities and partners in other developments were contributing causes." This finding is consistent with Rhodes' reputation in this community: Once he signs a written contract and gains control, he does whatever he wants to enrich himself and completely disregards his obligations under the contract. If this information has not yet been presented in the hearing, it seems to me that you might want to introduce this evidence if the matter is reopened.

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